

**NYBOT®**  
**REUTERS CRB FUTURES PRICE INDEX FUTURES CONTRACT**

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## **REUTERS CRB FUTURES PRICE INDEX FUTURES CONTRACT**

### **Rule 17.00. Scope of Chapter**

This Chapter governs Transactions involving contracts for the future delivery of the value of the Reuters Commodity Research Bureau Futures Price Index (“Reuters CRB Index”) and Options to buy or sell any Reuters CRB Futures Price Index Futures Contract. The term “Reuters CRB Futures Price Index Futures Contract” shall mean a contract for the future delivery of the Reuters CRB Index. The “Reuters CRB Futures Price Index Futures Contract” and the Option on the Reuters CRB Futures Price Index Futures Contract and all trading therein shall be subject to the Rules and the Clearing Organization Rules.

### **Rule 17.01. Obligations of Parties to Contract**

The seller under any Reuters CRB Futures Price Index Futures Contract agrees to sell to the purchaser, and the purchaser agrees to purchase from the seller, \$500 times the Reuters CRB Index in accordance with the Rules and the Clearing Organization Rules.

### **Rule 17.02. Months Traded**

(a) Trading in the Reuters CRB Futures Price Index Futures Contract shall be conducted for delivery in the following months: January, February, April, June, August and November.

(b) Trading shall at all times be conducted in at least four delivery months with additional delivery months to be listed at the discretion of the Board. Trading in a new delivery month shall be initiated at the opening of trading on the first Exchange Business Day following the Last Trading Day for any delivery month.

### **Rule 17.03. Price Basis**

Prices shall be quoted as figures to two decimal points. The minimum price fluctuation shall be .05 and the dollar value of the minimum price fluctuation shall be \$25.00.

### **Rule 17.04. Last Trading Day**

The Last Trading Day for any delivery month of Reuters CRB Futures Price Index Futures Contracts shall be the second (2<sup>nd</sup>) Friday of the expiration month; provided, however, that in the event the Exchange is closed on any such Friday:

(a) Because such Friday is a designated Exchange holiday which has been so designated for more than one (1) week prior thereto, the term “Last Trading Day” shall mean the trading day preceding such Friday; and

(b) For any other reason, the term “Last Trading Day” shall mean the first (1<sup>st</sup>) trading day after such Friday.

No trades in any Reuters CRB Futures Price Index Futures Contract which must be settled in any current delivery month shall be made after the close of trading on the Last Trading Day for that delivery month.

### **Rule 17.05. Final Settlement of Futures Contracts**

(a) All settlements must be made through the Clearing Organization.

(b) Final settlement under each Reuters CRB Futures Price Index Futures Contract for any delivery month shall be made on the Business Day following the Last Trading Day of that delivery month and shall be made in the same manner and in accordance with the same procedures that payment of variation Margin is made.

(c) The amount to be paid in final settlement of each Reuters CRB Futures Price Index Futures Contract shall be determined by multiplying \$500 times the difference between the Settlement Price of the previous trading day for such contract and the Reuters CRB Index to the nearest .01 as of the close of business on the Last Trading Day; except that the amount to be paid on a contract purchased or sold on the Last Trading Day and held to the close of business on that day shall be determined by multiplying \$500 times the difference between the price of such purchase or sale on that day and the Reuters CRB Index, to the nearest .01 as of the close of business on that day.

(d) Upon final settlement as provided in this Rule, the parties shall have no further obligations hereunder.

#### **Rule 17.06. Delinquency in Performance**

If a Clearing Member fails to perform any acts required by this Chapter or by the Clearing Organization, the Clearing Member will be subject to disciplinary action, and the Exchange may assess such Clearing Member for the expenses associated therewith.

#### **Rule 17.07. Trading Suspensions**

In the event that, on any day, any of the component markets of the Reuters CRB Index close due to holidays or other events, including, but not limited to, emergency action at those market(s), the Executive Committee or, in the absence of a quorum, the President of the Exchange, may determine the extent to which trading hours may be shortened, if at all, on such day.

#### **Rule 17.08. Clearing Member Reports to Clearing Organization**

(a) All Clearing Members shall report to the Clearing Organization not later than 9:00 A.M. of each Business Day, the number of purchases and sales executed on the prior Business Day and the number of Reuters CRB Futures Price Index Futures Contracts which are open on the Member's books for each delivery month at the close of business on such prior Business Day, and the number of purchases and sales in the delivery month executed that day and the number of Reuters CRB Futures Price Index Futures Contracts which are open on the Member's books for such delivery month at the close of business on such day, no later than 5:00 P.M. on that day.

(b) When the account of any Customer (other than an account carried on an omnibus basis) has a long and short position in the same delivery month, only the net position of the Customer in that delivery month will be reported to the Clearing Organization as open interest.

(c) In the case where a long and short position in the same delivery month is carried by a non-Clearing Member of the Exchange for a Customer, it shall be the responsibility of the Carrying Member to advise the Clearing Member that the long and short position is for the account of the same Customer. In that event, the Clearing Member will not report that position to the Clearing Organization as open interest.

(d) One purpose of this Rule is to enable the Exchange to publish each Business Day the open position in Reuters CRB Futures Price Index Futures Contracts for each month.

(e) All Members of the Exchange carrying contracts for the account of others must act with diligence in reporting and correcting errors in their positions as reported to the Clearing Organization by Clearing Members or to Clearing Members by Carrying Members.

(f) Clearing Members making corrections in their positions with the Clearing Organization subsequent to the publishing of the daily open positions by the Exchange shall promptly file with the Exchange a statement of the details of such correction, the manner in which the error occurred and, if a Carrying Member be the cause of the error, its name shall be supplied.

## **OPTIONS ON REUTERS CRB FUTURES PRICE INDEX FUTURES CONTRACT**

### **Rule 17.21. Obligations of Option Purchasers**

(a) The Purchaser which purchases an Index Option on the Floor shall cause such Option to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Clearing Organization Rules.

(b) The Purchaser which clears an Index Option shall pay in full the Premium to the Clearing Organization in accordance with the Clearing Organization Rules, and shall collect from the Person for whom it clears such Option the full amount of the Premium in accordance with the Exchange and the Clearing Organization Rules.

(c) The Purchaser of an Index Option shall, upon exercising such Option in accordance with the Rules of the Exchange and the Clearing Organization Rules, enter into a long position (in the case of a Call Option) or a short position (in the case of a Put Option) in the Underlying Futures Contract deliverable in the Option Month, at the Strike Price specified in such Option; provided, however, that any such contract entered into upon exercise shall be entered into for the account of the Person having purchased the Index Option.

### **Rule 17.22. Obligations of Option Grantors**

(a) The Grantor which grants an Index Option on the floor of the Exchange shall cause such Option to be submitted by a Clearing Member to the Clearing Organization for clearance in accordance with the Clearing Organization Rules.

(b) The Grantor which clears an Index Option shall make such Margin deposits as the Clearing Organization may require.

(c) The Grantor of an Index Option shall, upon being assigned an Exercise Notice by the Clearing Organization, enter into a short position (in the case of a Call Option) or a long position (in the case of a Put Option) in the Underlying Futures Contract deliverable in the Option Month, at the Strike Price specified in such Option; provided, however, that any such contract entered into upon assignment of an Exercise Notice shall be entered into for the account of the Person having granted the Index Option.

### **Rule 17.23. Effect of Clearance**

Upon acceptance of an Index Option by the Clearing Organization, the Clearing Organization shall be substituted as, and assume the position of, the purchaser to the Clearing Member which is the grantor and the position of the grantor to the Clearing Member which is the purchaser; and thereupon the Clearing Organization shall have all the rights and obligations with respect to such Option as the parties for which it is substituted.

### **Rule 17.24. Months Traded**

(a) Trading in Index Options shall be conducted in the following Option Months: January, February, April, June, August and November.

(b) Trading shall at all times be conducted in four (4) Option Months. Trading in a new Option Month shall be initiated at the opening of trading on the first (1<sup>st</sup>) Business Day following the listing of the Underlying Futures Contract.

### **Rule 17.25. Last Trading Day**

The Last Trading Day with respect to any Option Month shall be the Last Trading Day of the Underlying Futures Contract. No trades in Options expiring in the current Option Month shall be made after 3:15 p.m. New York time on the Last Trading Day for such Option Month.

**Rule 17.26. Strike Prices**

(a) Strike Prices for Index Options shall be quoted in points.

(b) Trading shall only be conducted in Index Options having Strike Prices determined in accordance with this Rule.

(c) Except as the Board may from time to time prescribe otherwise, Index Options shall be listed for trading with particular Strike Prices for each Option Month as follows:

(i) On the day Index Options for any Option Month are first listed for trading pursuant to Rule 17.24, the Exchange will establish Strike Prices as follows:

(A) Strike Prices shall be at levels which are at intervals of \$2.00;

(B) There shall be listed one (1) At-the-Money, four (4) Out-Of-The-Money and four (4) In-The-Money Call and Put Options for each Option Month, based upon the previous day's Settlement Price of the Underlying Futures Contract.

(ii) There shall at all times be listed for trading at least four (4) Call Options with Strike Prices above the previous day's Settlement Price of the Underlying Futures Contract, and at least four (4) Call Options with Strike Prices below the previous day's Settlement Price of the Underlying Futures Contract, at least four (4) Put Options with Strike Prices above the previous day's Settlement Price of the Underlying Futures Contract, and at least four (4) Put Options with Strike Prices below the previous day's Settlement Price of the Underlying Futures Contract. If on any day the Underlying Futures Contract settles at a price such that there are not at least the required number of Options listed for trading as provided in the first (1<sup>st</sup>) sentence of this subparagraph (c)(ii), then at the opening of trading on the next Business Day, one (1) or more additional Options shall be listed for trading as may be required to assure that the Options required pursuant to the first (1<sup>st</sup>) sentence of this paragraph (c)(ii) are listed for trading.

(iii) Notwithstanding subparagraph (c)(ii) above, no new Options for the first (1<sup>st</sup>) nearby Option Month shall be listed for trading during the ten (10) calendar days preceding the Last Trading Day for such Option Month.

(d) An Option having a particular Strike Price shall be delisted if for ten (10) consecutive trading days no Transaction is executed, and there is no open position, in such Option; provided, however, that no Option shall be so delisted if it has an Strike Price which is at any of the prescribed levels above or below the prices of the Underlying Futures Contract on the previous trading day.

(e) Any Option which has been so delisted shall thereafter be re-listed at any time any such Option has a Strike Price which is at any of the prescribed levels above or below the prices for the Underlying Futures Contract on the previous trading day.

(f) In addition to the Strike Prices authorized above, the President of the Exchange may direct that additional Strike Prices be added. Such directed strike prices ("DSPs") may be added provided that they may only be listed in whole index points or multiples thereof. Such DSPs shall be effective upon adoption.

**Rule 17.27. Premium Quotations**

Premiums shall be quoted in points with each point equal to \$5.00. The minimum price fluctuation in premiums shall be five (5) points; provided, however, that when a Transaction liquidates an existing

Option position and the premium is not more than five (5) points, the minimum permissible price fluctuation shall be one (1) point or \$5.00.

**Rule 17.28. Exercise**

(a) All exercises shall be made through the Clearing Organization, in accordance with the Rules of the Exchange and the Clearing Organization Rules.

(b) Any Customer which has an open long position in an Option on any day the Option is traded may submit an Exercise Notice to its Clearing Member with respect to each open position not later than 6:00 P.M. New York time on any Business Day. Any Clearing Member which has, or carries accounts for others which have, an open long position on any day the Option is traded may issue an Exercise Notice with respect to each open position not later than 8:00 P.M. New York time on any Business Day except the Last Trading Day. In each instance in which, on the Last Trading Day, there is an open long position for which the Strike Price is less, in the case of a Call Option, or greater, in the case of a Put Option, than the Settlement Price of the Underlying Futures Contract on the Option's Last Trading Day, the Options comprising such open long position shall be automatically exercised unless written instructions to do otherwise shall be received by the Clearing Organization.

(c) By 8:45 a.m. of the Business Day following receipt of Exercise Notices, the Clearing Organization shall allocate such Exercise Notices among Clearing Members which have, or which carry accounts for others which have, open short positions at the close of trading on the preceding Business Day. The Clearing Organization shall give each such Clearing Member Notice of Exercise of each Option, in accordance with the Clearing Organization Rules.

(d) Upon exercise of any Option, the Clearing Organization will make book entries to change the Underlying Futures Contract and Option positions carried by the Clearing Member exercising an Option pursuant to paragraph (b) of this Rule and the Clearing Member assigned any Exercise Notice pursuant to paragraph (c) of this Rule. An Exercise Notice received after 8:00 p.m. on any Business Day except the Expiration Day shall be considered as being received on the next Business Day. An Option for which an Exercise Notice is not received by the Clearing Organization by 8:00 p.m. on the Last Trading Day, or is not exercised automatically pursuant to paragraph (b) of this Rule, shall expire at that time.

(e) A Clearing Member that exercises an Option pursuant to paragraph (b) of this Rule, and a Clearing Member that is assigned an Exercise Notice pursuant to paragraph (c) of this Rule, on any day must deposit any initial Margin and variation Margin required for the Underlying Futures Contract before such time as may be prescribed by the Clearing Organization Rules.

(f) Index Options shall not be transferred, assigned or otherwise disposed of other than on the Exchange, subject to the Rules of the Exchange and the Clearing Organization Rules.

**Rule 17.29. Delinquency in Performance**

If a Clearing Member fails to perform any acts required by this Chapter, the Clearing Member will be subject to disciplinary action, and the Exchange may assess such Clearing Member for the expenses associated therewith.

**Rule 17.30. Clearing Member Reports to Clearing Organization**

(a) All Members of the Exchange, who are members of the Clearing Organization, shall report to the Clearing Organization, not later than 7:00 P.M. on each Business Day, the total number of open long Options and the total number of open short Options, in each Option Series, carried by the Clearing Member as of the close of business on the Business Day.

(b) When the account of any Customer (other than an account carried on an omnibus basis) has a long and short position in the same Option Series, only the net position of the Customer in that Option Series will be reported to the Clearing Organization, as open interest.

(c) In the case where a long and short position in the same Option Series is carried by a non-Clearing Member of the Exchange for a Customer, it shall be the responsibility of the Carrying Member to advise the Clearing Member that the long and short position is for the account of the same Customer. In that event, the Clearing Member will not report that position to the Clearing Organization, as open interest.

(d) All Members of the Exchange carrying Commodity Contracts for the account of others must act with diligence in reporting and correcting errors in their positions as reported to the Clearing Organization by Clearing Members or to Clearing Members by Carrying Members.

(e) Clearing Members making corrections in their positions with the Clearing Organization subsequent to the publishing of the daily open positions by the Exchange shall promptly file with the Exchange a statement of the details of such correction, the manner in which the error occurred and, if a Carrying Member be the cause of the error, its name shall be supplied.